



City of Holtville

Third Quarter Financial Report

Fiscal Year 2005-06

April 17th, 2006

OVERVIEW

The accompanying financial statements reflect the City's overall financial position for the fiscal year through March 31st, 2006. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the third quarter.

Adjusted Budgets. The budget report includes supplemental appropriations totaling \$983,733 approved by the City Council as of March 31st, 2006. The Budget adjustments are summarized below:

Project Description	Department	Source	Amount
Senior Assistance Pgm	Finance	RDA	15,360
CDF Grant Match	Fire	General	17,775
Relocation Guidelines	Comm. Dev.	RDA	1,500
Commercial Meters	Water Meters	Water	58,646
Wastewater Plant Expansion	WWTP	Sewer Cap.	69,880
BLM Grant Match	Fire	General	900
Graffiti Abatement Pgm	Police	RDA	5,000
Wastewater Rehab Project	Sewer O/M	Sewer	249,495
Fixed Asset Inventory	various	various	5,076
Nexus Study-General Fd.	Finance	Gen. Exp.	23,500
AFG Match	Fire	General	6,690
CM Exit Bonus	City Manager	General	7,200
Annual Housing Report	RDA	Set-a-side	1,500
FT Office Coord. Benefits	various	various	5,090
PW Labor Negotiations	PW	W/WW	13,770
Owner-Occupied Housing	Comm. Dev.	HOME	495,351
Generator Repair	Fire	RDA	7,000

Total Adjustments **\$983,733**

GENERAL FUND

General Fund Financial Condition. With 75% of the year complete, General Fund revenues are at 67% of the budget and expenditures are at 75% of the budget as summarized below:

General Fund Balance	Budget	YTD Actual	Percent
Revenues	2,053,209	1,375,094	67%
Expenditures	2,177,893	1,623,994	75%
Other Sources (Uses)	-	-	
Balance, Start of Year	562,247	562,247	-
Balance, Year-to-Date	437,563	313,347	-

Top Ten Revenues. Our top ten revenues account for 93% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position. With the exception of certain funds, revenues are performing as projected. Any significant variances are noted below.

Top Ten Revenues	Budget	YTD Actual	% Received
Sales tax	87,880	98,166	112%
Property tax	189,164	91,779	49%
Utility tax	420,594	306,733	73%
Vehicle in-lieu (VLF)	321,040	22,180	7%
Business License Fees	10,290	6,925	67%
Franchise fees	100,983	77,613	77%
Development review fees	72,636	75,014	103%
Transfer In	616,740	462,214	75%
County Fire Contract	91,505	66,627	73%
Interest on investments	13,912	8,373	60%
Total	1,924,744	1,215,623	63%

- **Sales tax.** This key revenue source is reported 37% higher than projected.

- **Property taxes.** These reflect apportionment payments made to us by the County as of December 2005. Revenues are normally distributed to cities in April, May, November and December of each year however; the most recent tax increment was received on April 19th and is not reflected in this report.

- **Vehicle License Fees.** The City receives a monthly apportionment from the State. The VLF payments are based on population and the net amount

available for distribution. A large portion of the fees was received on April 13th and is not reflected in this report.

- **Summary of Revenues.** Overall revenue funding levels are reported at 67%, which is lower than anticipated, this is due primarily to the minimal amount of property tax and vehicle license fee monies received through the third quarter.

Expenditures. At 75% through the third quarter, operating costs are as expected.

- The significant variance in Non-Departmental reflects the City's annual premium of General Liability insurance and Property/Automobile insurance, which is due in August of each year.
- The Personnel Dept. Budget is 41% over the expected 75% as a result of City Manager approved expenditures related to the recruitment of a new Police Chief in the first quarter.
- The PW Admin. Budget is 18% over budget because of unforeseen vehicle maintenance fees at the beginning of the fiscal year.
- Dispatch services is over budget due to overtime costs associated with lack of dispatch personnel.
- All other general fund departments are on target and will continue to be because of proper management and monitoring.

Department Name	Budget	YTD Actual	% Expended
City Council	36,595	29,518	81%
City Manager	170,634	127,206	75%
City Personnel	6,760	7,833	116%
City Planning	75,500	54,120	72%
City Clerk	32,661	20,322	62%
Finance	126,178	84,444	67%
City Treasurer	2,050	1,350	66%
City Attorney	36,460	21,211	58%
Non-Departmental	100,381	96,136	96%
Police	616,137	419,946	68%
Dispatch Services	131,913	117,997	89%
Animal Control	23,286	5,281	23%
Fire	475,446	365,793	77%
Public Works Admin	13,015	12,143	93%
Fleet Maintenance	3,320	1,757	53%
Street Maintenance	150,864	102,988	68%
Parks	116,877	82,876	71%
Buildings Maintenance	59,816	38,798	65%
Total Departmental	2,177,893	1,623,994	75%

ENTERPRISE FUNDS

The following summarizes year-to-date revenues, expenditures and changes in working capital for the enterprise funds. Overall, revenues and expenditures are as predicted for the third quarter. A Capital Improvement Schedule has been adopted for the

Water and Wastewater funds; however, unless funds are available projects will not be initiated.

- The Water Fund reflects a deficit position in this quarter, but is projected to have a positive balance at the end of the fiscal year. The debt service payment is made early in the year and affects the year-to-date cash balance.
- The Sewer Fund reflects a negative cash balance in this quarter, primarily because of the WWTP Rehabilitation Project. The reserve funds and amount budgeted for capital projects are depleted as well. The sewer fund is expected to have a positive cash balance by the end of the fiscal year.

Note. The "Other Sources and Uses" line item in the table represents transfers to the General fund for common costs incurred and to the Employee Health Fund.

Water Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	1,154,532	718,597	62%
Expenditures			
Operating programs	758,027	576,421	76%
CIP projects	-	58,646	
Debt service	314,000	227,884	73%
Other Sources (Uses)	(105,030)	(87,233)	83%
Balance, Start of Year	145,434	145,434	-
Balance, Year-to-Date	122,909	(86,153)	-

Sewer Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	873,381	621,169	71%
Expenditures			
Operating programs	689,269	468,299	68%
CIP projects	150,000	434,571	
Debt service	145,000	134,261	93%
M/O Reserve	50,000	-	0%
Other Sources (Uses)	(105,030)	(89,005)	85%
Balance, Start of Year	454,027	454,027	-
Balance, Year-to-Date	188,109	(50,940)	-

Trash Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	705,040	466,995	66%
Expenditures			
Operating programs	706,066	457,407	65%
CIP projects	-	-	
Debt service	-	-	
Other Sources (Uses)	(76,272)	(55,024)	72%
Balance, Start of Year	209,205	209,205	-
Balance, Year-to-Date	131,907	163,769	-

SPECIAL FUNDS**Transportation Funds**

Working Capital	Budget	YTD Actual	Percent
Revenues	317,522	142,303	45%
Expenditures			
Operating programs	216,000	62,588	29%
CIP projects	-	-	
Other Sources (Uses)	(493,890)	(195,928)	40%
Balance, Start of Year	449,352	449,352	-
Balance, Year-to-Date	56,984	333,139	-

Note. The Transportation funds include State Highway User tax funds, Local Transportation funds, Local Transportation Authority funds, and Pedestrian/Bike path funds. The revenues collected are on target when compared to past trends. Gas tax monies are received once every two months. The "Other Sources and Uses" line item in the table represents transfers to the General fund for Streets maintenance/operation costs and special transportation projects.

Redevelopment Agency Funds

Working Capital	Budget	YTD Actual	Percent
Revenues	535,681	351,013	66%
Expenditures			
Operating programs	279,383	161,966	58%
Set-A-Side Expend.	46,053	15,105	33%
Debt-Service	149,600	136,739	93%
Other Sources (Uses)	(112,790)	(91,720)	81%
Balance, Start of Year	498,331	498,331	-
Balance, Year-to-Date	446,186	443,814	-

Note. The Redevelopment Agency funds continue to be financially stable and as a result support City Parks operational costs that were once paid through the General Fund. The revenues received reflect the year-to-date secured/unsecured property taxes apportioned for the project area. The bulk of the monies are not received until November, December, April and May of each fiscal year however, the first apportionment was not received from the County until January 2006.

GRANT FUNDS**Community Development Block Grant Funds**

Working Capital	Budget	YTD Actual	Percent
Revenues	96,300	51,205	53%
Expenditures			
Operating programs	142,974	8,250	6%
Revolving Loans	200,000	-	0%
Other Sources (Uses)	-	-	
Balance, Start of Year	565,561	565,561	-
Balance, Year-to-Date	318,887	608,516	-

HOME Funds

Working Capital	Budget	YTD Actual	Percent
Revenues	606,000	6,780	1%
Expenditures			
Operating programs	63,373	35,531	56%
CIP Projects	585,000	89,910	15%
Other Sources (Uses)	0	0	0%
Balance, Start of Year	176,773	176,773	
Balance, Year-to-Date	134,400	58,112	-

State COPS

Working Capital	Budget	YTD Actual	Percent
Revenues	103,643	200,208	193%
Expenditures			
Operating programs	133,681	49,571	37%
CIP projects	-	-	0%
Other Sources (Uses)	-	-	
Balance, Start of Year	228,826	228,826	-
Balance, Year-to-Date	198,788	379,463	-

Homeland Security

Working Capital	Budget	YTD Actual	Percent
Revenues	68,500	42,464	62%
Expenditures			
Operating programs	22,000	21,134	96%
CIP projects	-	-	
Other Sources (Uses)	-	-	
Balance, Start of Year	(25,389)	(25,389)	
Balance, Year-to-Date	21,111	(4,059)	-

California Department of Forestry

Working Capital	Budget	YTD Actual	Percent
Revenues	17,775	-	0%
Expenditures			
Operating programs	17,775	483	3%
CIP projects	-	-	0%
Other Sources (Uses)	-	-	
Balance, Start of Year	-	-	-
Balance, Year-to-Date	-	(483)	-

FEMA Fund

Working Capital	Budget	YTD Actual	Percent
Revenues	35,865	15,500	43%
Expenditures			
Operating programs	23,541	24,908	106%
CIP projects	-	-	0%
Other Sources (Uses)	-	-	
Balance, Start of Year	(10,865)	(10,865)	-
Balance, Year-to-Date	1,459	(20,273)	-

Note. Grants with a negative balance are pending reimbursement from the State and/or Federal Offices.

SUMMARY

For more information. This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call the Department of Finance at 356-4685.

